



2015

SEPTEMBER 21-22 | ARLINGTON, VIRGINIA



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Single Family Raising the Bar on RFS Reporting



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Single Family - Raising the Bar on RFS Reporting

- Panel members and participants:
 - Stewart Spettel, Ginnie Mae Director of Operations
 - Rick Garner, RFS Issuer Support
 - Nancy Strickland, RFS Issuer Support



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Raising the Bar on RFS Reporting

Section 1: Introduction



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Raising the Bar on RFS Reporting

- Ginnie Mae's objective:
 - More timely collection of accurate data to be utilized for issuer metrics and distribution of data to the "Street"
- Who do we have in the room/show of hands?
 - New to Ginnie Mae Reporting?
 - Experienced Ginnie Mae Reporting?
 - Any sub-servicers with us?
 - Anyone who uses subs?
 - Specific Topics or questions you would like us to address



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Section 2: Developments & Hot Topics at Ginnie Mae



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Raising the Bar – Changes to RFS Reporting

- Effective October 2015:
 - Issuers no longer submit RPB files through GinnieNET.
 - Legacy Failed Edits reports no longer be provided.
 - Custodial Account Verification will be reported through RFS beginning with Dec, 10th report.
 - Severity level on several RFS exceptions has changed from High to Critical.
 - Focus on Critical errors associated with Security RPB and data quality.
 - Take advantage of near real-time RPB edit feedback available in RFS Exception Feedback



Hot Topics at Ginnie Mae

- Subservicing:
 - Many new issuers are heavily reliant on subcontract servicers; Ginnie Mae is looking more closely at quality of issuer oversight and the performance of subservicers as it relates to reporting
 - Emphasis on issuers ability to adequately monitor and coordinate with their sub contract servers
 - Likewise we are seeing a move for some established issuers to move servicing “in house”.
 - Looking more closely at issuers ability to adequately manage this transition



Hot Topics at Ginnie Mae (continued)

- Subservicing (continued):
 - Issuers who make a change to how they perform their servicing responsibilities, including a change to reporting systems, are required to conduct RFS testing (APM 15-11)
 - If you are using a subservicer
 - Make sure that they are familiar with the RPB reporting changes effective October 1, 2015 and with the most recent information and timeframes for the elimination of the GinnieNET fingerprint scanner



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Hot Topics at Ginnie Mae (continued)

- Influence of Global Capital Markets
 - Increasingly, the markets are using 4th business day factor and disclosure information to price and trade your securities especially in regards to Fannie & Freddie MBS and REMICs
- Civil Monetary Penalties (CMP)
 - Remedies and consequences for repeated or significant reporting failures which includes Civil Monetary Penalties or other sanctions
- GinnieNET RSA Token
 - Target date is mid-November 2015. Keep abreast of developments at www.ginniemae.gov



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Section 3: Monthly Reporting Overview



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Issuer Responsibilities

- Issuer primary functions
 - Must have employees knowledgeable of Ginnie Mae requirements
 - Quality Control plans
 - Service the pooled mortgages and administer the related securities in accordance with the applicable Guaranty Agreement and the MBS Guide
 - Submitting remittances and meeting all reporting requirements on time
 - Ensuring that subcontract servicer is in compliance with all applicable guidelines and that all reporting requirements are met.



Monthly Workflow - Timelines

■ Timelines for key events

- **25th Prior Month** – RFS Open for reporting
- **1st** Begin processing RFS Pool/Loan File in a.m.
 - RFS Feedback immediately upon processing issuer's data; automatic upon receipt – **RFS feedback includes Security RPB related edits; Take advantage of RFS immediate feedback capability by submitting before COB**
- **2nd Bus Day** – RFS Reporting Due
- **3rd Bus Day** – Preliminary Pre-Collection Notices based upon 2nd BD RFS Pool Record



Monthly Workflow - Continued

■ Timeline (Continued)

- **4th BD** – RFS Corrections due as well as 11710D
- **6th BD** – Final Pre-Collection Notices based upon 4th BD RFS Pool Record
- **10th & 19th Calendar Day** – Guaranty Fee for GN1 & GN2 respectively
- **15th & 20th Calendar Day** - Ginnie Mae will ACH the P&I from issuer custodial account for GN1 & GN2
- **25th RFS cycle close/open** for next month



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Quarterly Workflow

- **Timeline for key events:**
 - WHFIT tax information 10th calendar day – corrections due 15th (January, April, July, October)
 - Custodial Account Verification 10th Calendar Day (March, June, September, December)



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Loan Matching to Agency

■ Loan Matching & Suspense

- Matches Issuer Reported Loan Data to Agency Loan Data
- Critical Fields: Case Number and Original Principal Balance
- Also may be matched: Interest Rate, Maturity Date, Zip Code
- Issuers Must Resolve “Non Matches”



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Other RFS (not Pool/Loan) Cont.

- Various Record “V”

- Various “static” information associated with loan; only reported if there is a change to data initially submitted on GinnieNET form 11706 at pooling or if exception message requires correction of the data
 - Examples: Credit Score, Loan Purpose, First Time Homebuyer, Pre-Modification OPB, Loan to Value, etc.
- Issuers should submit only the data fields on the Various Loan Record that are being corrected.
- Due 10th Business Day.
- Refer to Appendix VI-19 for detailed instructions



Other RFS (not Pool/Loan) Cont.

- **Sensitive Record “S”**

- Borrower sensitive “static” data; personally identifiable information (PII); only reported if there is a change to the data that was initially submitted on 11706 at pooling.
 - Examples: Borrower name, property address, SSN
- Due 10th Business Day.
- Refer to Appendix VI-19 for detailed instructions.



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Section 4: Area's of Concern: Best Practices



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Best Practices:

■ Best Practices:

- 1) 100% of Pool and Loan data reported by 2nd Business Day
- 2) All E and C level alerts related to the Pool and Loan record must be resolved no later than 7:00 pm (Eastern Time) on the 4th Business Day
- 3) Complete and accurate reporting of Case Number on Loan file.
- 4) Issuers are fully responsible for meeting reporting timelines and accuracy of data reported by a subservicer



Best Practices (Continued)

- More Best Practices:

- 5) Adhere to your established Cut-off date
- 6) Ensure the correct liquidation removal reason code is reported
- 7) Analyze and correct RFS edit exceptions per Severity Level requirements.
- 8) Bank reconciliations completed within 30 days of cut-off



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Critical Exceptions – Security RPB

- RFS is single source of RFS Exceptions
 - POOL450 Security RPB Missing
 - POOL451 Security RPB must be Numeric
 - POOL452 Security RPB should equal Prior Month RPB minus total principal (RFS calculation)
 - POOL453 Security RPB should equal Prior Month RPB plus draws for construction loans
 - POOL455 Security RPB should equal Prior Month RPB minus Serial Notes for SN pools
 - POOL456 Security RBP must have a decimal point



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Critical Exceptions – (Cont.)

- Issuers must resolve all RFS Critical Exceptions COB 4th Business Day
 - RFS reported Security RPBs are released to Ginnie Mae's downstream systems for Pre-collection notices, Security Holder Payments and Factors.
 - Any issuer that fails to submit timely and accurate RFS Security RPB is subject to sanctions



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Reference: Important Systems & Modules

Important “Systems and Modules”

- GinnieNET
 - 1710D Summary Report
 - Form HUD 11714
- GMEP (RFS)
 - Pool Reporting and Loan Reporting
 - Matching and Suspense
 - E-Notification
 - WHFIT
 - Exception Feedback
 - Quarterly Certification
- GMEP (Master Agreements Management System)
 - Master Agreements
 - Request Pool Numbers
 - Pool Transfer System
 - Commitment Authority



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Reference Documents & Resources

- **Ginnie Mae Guide** www.ginniemae.gov/siteassets/allregs_tpl.aspx The Ginnie Mae Mortgage-Backed Securities Handbook provides in-depth information about the Ginnie Mae I and Ginnie Mae II programs. It includes program information on many topics, including eligibility requirements, Issuer responsibilities, risks and liabilities, applications, pools, required forms, and other special requirements.
- **Ginnie Mae Investor Reporting Manual** www.ginniemae.gov/siteassets/allregs_tpl.aspx The Ginnie Mae Investor Reporting Manual is designed to be a supplement to the Ginnie Mae Mortgage-Backed Securities Handbook. It clarifies certain aspects of pool administration using instructions and examples, including sample forms. The Investor Reporting Manual illustrates many topics, including reconciliations, loan liquidations, due dates, and reporting requirements.
- **Guide Appendix VI-19 RFS Reporting Instructions & Layouts** http://www.ginniemae.gov/doing_business_with_ginniemae/issuer_resources/MBSGuideAppendicesLib/Appendix_VI-19.pdf
- **Other Issuer Resources** www.ginniemae.gov/doing_business_with_ginniemae/issuer_resources/Pages/default.aspx The Issuer Resources page is designed for quick access to many topics such as the MBS Guide, Issuer Calendar, GMEP, GinnieNET, Modernization, IOPP, and Notes and News.



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Section 5: Questions and Answers



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